case of most other European banks in recent years. Taxes are levied upon the real estate and securities belonging to the bank and on the dividends paid to shareholders. Under the law of 1878, which was not radically changed in 1887, five per cent, of net profits went to the shareholders, ten per cent, of the remainder was added to the reserve, the dividend to shareholders was then made up to seven per cent., and half the remainder went into the treasuries of the two monarchies, in the proportion of seventy per cent, to Austria and thirty per cent, to Hungary.[1] This distribution was modified in 1899 so that the primary dividend to shareholders is only four per cent. After the allotment of ten per cent, of the remainder to reserve and a small amount for pensions, half of the remainder goes to the state and half to shareholders until their total dividend reaches six per cent., after which the state takes two-thirds.[2] Under this distribution net profits in 1907 were 29,925,536 crowns ($6,075,-ooo), of which the shareholders received 16,119,640 crowns ($3,275,000) or at the rate of 7.67 per cent., while the state received 11,228,216 crowns, exclusive of taxes. Including 1,886,460 crowns paid upon excess circulation, the total share of the state on these two accounts was 13,114,676 crowns ($2,662,000). This is much larger than any previous allotment to the state, the amounts prior to 1906 having been less than 5,000,000 crowns annually. The rate of dividend in 1905 was 5.014 and in 1906, 6.457 Per cent[3]

The creation of an independent bank of issue for Hungary-was one of the projects which grew logically out of the movement which gained momentum at the beginning of the twentieth century for the restoration of Hungarian independence. So insistent was the demand for a separate bank that when the convention for the continuance of the union between the two countries was prolonged for ten years in the

[1] Noel, L, 466.
[2] *Economist® Europgen,* March 6, 1908, XXXIII., 298.
[8] *Moniteur des Int£r®ts Mat&riels,* January 15, 1908, **170.**